

INNOVATIVE DESIGNS INC  
Form 10QSB/A  
June 27, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-QSB/A**

☒ [X]

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY  
THREE MONTH PERIOD ENDED April 30, 2006:

OR

☐ [ ]

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION  
PERIOD FROM \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER: **333-103746**

The accompanying notes are an integral part of these financial statements.

**INNOVATIVE DESIGNS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or  
organization)

**03-0465528**

(IRS Employer Identification No.)

**223 North Main Street, Suite 1**

**Pittsburgh, Pennsylvania 15215**

(Address of principal executive offices)

**(412) 799-0350**

(Registrant's telephone number, including area code)

**Not applicable**

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

**All Correspondence to:**

**Christopher H. Williams, Esquire**

**Leech Tishman Fuscaldo & Lampl, LLC**

**Citizens Bank Building, 30th Floor**

**525 William Penn Place**

**Pittsburgh, Pennsylvania 15025**

As of April 31, 2006, there were 16,686,193 shares of the registrant's common stock outstanding.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

The accompanying notes are an integral part of these financial statements.

**INNOVATIVE DESIGNS, INC.**

**INDEX**

<b><u>PART I - FINANCIAL INFORMATION</u></b>	<b>4</b>
<u>ITEM 1. Financial Statements and Notes to Financial Statements</u>	<b>5</b>
<u>ITEM 2. Additional Disclosures</u>	<b>16</b>
<u>ITEM 3:Controls and Procedures</u>	<b>17</b>

Explanatory Note

This Amendment on Form 10-QSB/A amends and restates our Quarterly Report on Form 10-QSB for the quarter ended April 30, 2006 to adequately reflect the circumstances surrounding Innovative Designs, Inc.'s signing of the Exclusive License and Manufacturing Agreement with the Ketut Group. .

The accompanying notes are an integral part of these financial statements.

**PART 1 - FINANCIAL INFORMATION**

**INNOVATIVE DESIGNS, INC.**

**(A DEVELOPMENT STAGE COMPANY)**

**FINANCIAL STATEMENTS**

**ITEM 1. FINANCIAL STATEMENTS.**

The information in this report for the three months ended April 30, 2006 is unaudited but includes all adjustments (consisting only of normal recurring accruals, unless otherwise indicated) which the "Company" considers necessary for a fair presentation of the financial position, results of operations, changes in stockholders' equity and cash flows for those periods.

The condensed consolidated financial statements should be read in conjunction with the Company's financial statements and the notes thereto contained in the Company's Audited Financial Statements for the year ended October 31, 2005 in the Form 10-KSB/A filed with the SEC on May 22, 2006.

Interim results are not necessarily indicative of results for the full fiscal year.

The accompanying notes are an integral part of these financial statements.

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

**BALANCE SHEETS**

**April 30, 2006 and October 31, 2005**

**(Unaudited)**

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

**BALANCE SHEETS**

April 30, 2006 and October 31, 2005

(Unaudited)

ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS:		
	\$	\$
Cash	61,372	42,434
Accounts receivable	220,475	270,739
Inventory	443,653	316,706
Other assets	54,792	48,875
Total current assets	780,292	678,754
PROPERTY AND EQUIPMENT, NET	23,176	27,489
	\$	\$
TOTAL ASSETS	803,468	706,243

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:		
Accounts payable	\$	\$
	49,085	55,712
Accounts payable - related party	28,220	28,220
Current portion of notes payable	119,006	119,941
Current portion of related party debt		374,000
144,000		
Due to shareholders		40,500
67,500		
Accrued expenses		10,237
9,036		
Total current liabilities	416,847	628,610

LONG TERM LIABILITIES:

Long-term portion of notes payable		294,738
	437,121	
Total long term liabilities	437,121	294,738
TOTAL LIABILITIES	853,968	923,348

STOCKHOLDERS' DEFICIT:

Preferred stock, \$.0001 par value, 100,000,000 shares authorized		
Common stock, \$.0001 par value, 500,000,000 shares authorized, 16,686,193 and 16,065,193 shares issued and outstanding, respectively		1,732
	1,594	
Additional paid in capital		4,813,867
	4,320,286	
(Deficit) accumulated during the development stage	(4,372,380)	(5,032,704)
Total stockholders' (deficit)	(50,500)	(217,105)
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	803,468	706,243

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

**STATEMENTS OF OPERATIONS**

Three Months Ended April 30, 2006 and 2005, Six Months Ended April 30, 2006 and 2005.

Period from Inception to April 30, 2006

(Unaudited)

Inception to

Three Months Ended April 30,

Six Months Ended April 30,

April 30,

2006

2005

2006



2005

2006

REVENUE

\$

7,138

\$

16,512

\$

19,379

\$

32,265

\$

459,280

OPERATING EXPENSES:

Cost of sales

2,998

4,414

8,139

13,551

163,345

Non-cash stock

compensation

-

(26,750)

168,000

80,150

3,825,380

Selling, general and

administrative

expenses

82,606

52,702

142,128

116,154

1,258,940

85,604

30,366

318,267

209,855

5,247,665

(Loss) from operations

(78,466)

(13,854)

(298,888)

(177,590)

(4,788,385)

OTHER INCOME AND (EXPENSE):

Grant revenue

-

-

-

-

11,138

Interest expense

395,006

(2,000)

390,868

(4,000)

(41,329)

Other expense

-

-

-

-

(5,000)

Extinguishment of

related party debt

568,144

-

568,144

-

568,144

963,150

(2,000)

959,012

(4,000)

532,953

Profit (loss) before

extraordinary items

884,684

(15,854)

660,124

(181,590)

(4,255,432)

Extraordinary item - casualty

loss from flooding, net

of insurance proceeds

-

-

-

-

116,948

NET (LOSS)

\$

884,684

\$

(15,854)

\$

660,124

\$

(181,590)

\$



(4,372,380)

Per share information -

basic and fully diluted

Weighted Average

Shares Outstanding

18,470,740

17,093,353

19,032,617

17,037,563

16,093,033

Net income/(loss) per share

\$

0.048

\$

(0.001)

\$

0.035

\$

(0.011)

\$

(.272)

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

STATEMENTS OF STOCKHOLDERS (DEFICIT)

For the Three Months Ended April 30, 2006, and

Period from Inception to April 30, 2006

(Unaudited)

	Common Stock		Additional	(Deficit) Accumulated During the	
	<u>Shares</u>	<u>Amount</u>	<u>Paid in Capital</u>	<u>Development Stage</u>	<u>Total</u>
Shares issued to founders in June 2002 at par \$.0001	12,800,000	\$ 1,205	\$ -	\$ -	\$ 1,205
Shares issued for cash during June 2002 at \$.75 per share	20,500	2	15,373	-	15,375
Shares issued for cash during July 2002 through August 2002 at \$1.00 per share	57,000	6	56,994	-	57,000
Shares issued for cash during August 2002 through October 2002 at \$2.00 per share	122,750	12	245,488	-	245,500
Shares issued for services during June 2002 at \$.75 per share	623,500	62	467,563	-	467,625
Shares issued for services during August 2002 at \$2.00 per share	5,000	1	9,999	-	10,000
Net (loss) for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(577,861)</u>	<u>(577,861)</u>
Balance at October 31, 2002	<u>13,628,750</u>	<u>1,288</u>	<u>795,417</u>	<u>(578,061)</u>	<u>218,844</u>
Shares issued for services during January 2003 at \$2.00 per share	525,000	52	1,049,948	-	1,050,000
September 2003 at \$2.00 per share	450,000	45	899,955	-	900,000
Shares issued for cash					

Edgar Filing: INNOVATIVE DESIGNS INC - Form 10QSB/A

during January 2003 at					
\$2.00 per share	175,125	18	350,232	-	350,250
October 2003 at					
\$2.00 per share	63,300	6	126,594	-	126,600
Cancellation of shares	(25,000)	(2)	2	-	-
License agreement	-	-	(618,145)	-	(618,145)
Net (loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,398,169)</u>	<u>(2,398,169)</u>
Balance at October 31, 2003	<u>14,817,175</u>	\$	\$	\$	\$
		<u>1,407</u>	<u>2,604,003</u>	<u>(2,976,030)</u>	<u>(370,620)</u>

		Common Stock		Additional	(Deficit) Accumulated During the	
		<u>Shares</u>	<u>Amount</u>	<u>Paid in Capital</u>	<u>Development</u>	<u>Total</u>
					<u>Stage</u>	
Balance at October 31, 2003		<u>14,817,175</u>	\$	<u>\$ 2,604,003</u>	\$	\$
					<u>(2,976,030)</u>	
			<u>1,407</u>			<u>(370,620)</u>
Shares issued for cash						
during October						
2003						
at \$2.00 per	10,000	1	19,999	-		20,000
share						
Shares issued for cash						
during November						
2003						
at \$2.00 per	12,950	1	25,899	-		25,900
share						
Shares issued for						
services						
during November						
2003						
at \$2.00 per	140,000	14	279,986	-		280,000
share						
Shares issued for						
services						
during November						
2003						
at \$2.00 per	380,000	38	759,962	-		760,000
share						
Shares issued for cash						
during December						
2003						
at \$2.00 per	5,500	1	10,999	-		11,000
share						
Shares issued for						
services						
during December						
2003						
at \$2.00 per	805,000	81	1,609,919	-		1,610,000
share						
Shares issued for cash						

Edgar Filing: INNOVATIVE DESIGNS INC - Form 10QSB/A

during April 2004					
at \$1.00 per share	50,000	5	49,995	-	50,000
Shares issued for services during April 2004					
at \$1.20 per share	80,000	8	95,992	-	96,000
Shares issued for cash during May 2004					
at .61 per share	132,000	13	80,507	-	80,520
Shares issued for services during July 2004					
at \$2.00 per share	100,000	10	199,990	-	200,000
Shares returned for nonperformance of services during July 2004					
at \$2.00 per share	(1,050,000)	(105)	(2,099,895)	-	(2,100,000)
Shares issued for services during July 2004					
at \$2.00 per share	150,000	15	299,985	-	300,000
Shares issued for services during October 2004					
at \$.52 per share	21,000	2	10,918	-	10,920
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,933,630)</u>	<u>(1,933,630)</u>

Edgar Filing: INNOVATIVE DESIGNS INC - Form 10QSB/A

	Common Stock		Additional	(Deficit) Accumulated During the	
	<u>Shares</u>	<u>Amount</u>	<u>Paid in</u> <u>Capital</u>	<u>Development Stage</u>	<u>Total</u>
Balance at October 31, 2004		\$	\$	\$	\$
	<u>15,653,625</u>	<u>1,491</u>	<u>3,948,259</u>	<u>(4,909,660)</u>	<u>(959,910)</u>
Shares issued for services during December 2004 at \$.52 per share	116,000	12	82,988	-	83,000
Shares returned for nonperformance of services during December 2004 at \$1.20 per share	(3,000)	-	(3,600)	-	(3,600)
Shares issued for services during January 2005					